

# FISCAL NOTE

**Bill #:** HB0545

**Title:** Statutory water quality permit fees for suction dredge operations

**Primary Sponsor:** Haines, D

**Status:** Third Reading

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
-------------------	------	---------------------------------	------

## Fiscal Summary

	<b><u>FY 2004 Difference</u></b>	<b><u>FY 2005 Difference</u></b>
<b>Expenditures:</b>		
State Special Revenue	\$33,687	\$31,687
<b>Revenue:</b>		
State Special Revenue	\$825	\$825
<b>Net Impact on General Fund Balance:</b>	\$0	\$0

- |   |  |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact    | <input type="checkbox"/> Technical Concerns                      |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input type="checkbox"/> Dedicated Revenue Form Attached  | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

### ASSUMPTIONS:

#### **Department of Environmental Quality**

1. Section 75-5-516, MCA, directs the Board of Environmental Review to set fees for administering the water permits program. The current application and annual fee for suction dredge permits are set at \$250 and \$200, respectively. At the present time there are four active suction dredge authorizations in the state. The Department of Environmental Quality typically processes 2 new applications per year. Current annual revenue is estimated at \$1,300 (2 applications x \$250 = \$500; 4 annual fees x \$200 = \$800).
2. The department estimates that less than 10 percent of the active suction dredge operators obtain authorization under the water quality act. The primary factor for operators not obtaining an authorization is the current fee. The department estimates that the fee reduction could result in up to 40 (25 in state and 15 out of state) applications per year. Revenue from HB 545 is projected to be \$2,125 (25 in-state authorizations x \$25 = \$625; 15 out-of-state authorizations x \$100 = \$1,500). Therefore the annual increase in revenue is estimated to be \$825. (Proposed \$2,125 – Current \$1,300 = \$825)
3. The current workload is 0.04 FTE; issuing 40 authorizations per year would require an additional 0.50 FTE water quality specialist with \$19,739 requested in personal services each year, along with operating expenses of \$13,948 in FY 2004 and \$11,948 in FY 2005.

**Fiscal Note Request HB0545, Third Reading**  
(continued)

4. The department would recommend that the board increase the fees charged to other dischargers to offset the projected deficit for this work.

**Department of Fish, Wildlife and Parks**

5. The Board of Environmental Review will adopt the current policy disallowing suction dredging in Class I or II waters as outlined in the FWP internal policy.
6. For the remaining streams where dredging is allowed, the board will adopt FWP recommendations imposing generic, species-specific restrictions that will protect spawning and incubating fishes. Restrictions for a given water will vary depending on the species present.
7. Based on the above assumptions, there will be no fiscal impact to FWP.

FISCAL IMPACT:

**DEQ – Program 50**

	FY 2004 <u>Difference</u>	FY 2005 <u>Difference</u>
FTE	0.50	0.50

Expenditures:

Personal Services	\$19,739	\$19,739
Operating Expenses	<u>13,948</u>	<u>11,948</u>
TOTAL	\$33,687	\$31,687

Funding of Expenditures:

State Special Revenue (02)	\$33,687	\$31,687
----------------------------	----------	----------

Revenues:

State Special Revenue (02)	\$825	\$825
----------------------------	-------	-------

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

State Special Revenue (02)	(\$32,862)	(\$30,862)
----------------------------	------------	------------